

PRESIDENT SAYS TEUTONIC ALLIES HAVE NO GROUND FOR COMPLAINT

Reply of Administration To Austro-Hungarian Protest Against Export of Munitions Flatly Tells Germanics Position Is Wrong

THEY FREELY SUPPLIED
BRITAIN IN BOER WAR

Course Followed By United States Is Strictly Neutral and America Herself Would Adhere To the Principle If Attacked

(Associated Press by Federal Wireless.)
WASHINGTON, August 16.—

The state department released for publication today the reply of the administration to the government of Austro-Hungary, rejecting the contention of that country that the export of munitions of war by this country is not in consonance with the definition of neutrality.

Though friendly in tone, the note denies in toto the assertions of the dual monarchy, at the same time pertinently recalling that Germany and Austria in the Boer war freely supplied Great Britain with ammunition, though the Boers were unable to buy, because they were shut off from the sea, just as the Teutonic allies are barred now.

The note insists that the course followed by the United States is strictly neutral and is based on adherence to the principles on which America herself would depend in case of an attack by foreign foe.

In the days before the war, the note points out, both Austria and Germany produced surplus munition for world wide sale, and stress is laid on the fact that, until the shoe was on the other foot, neither of the Teutonic belligerents suggested or applied, in the many wars the world has seen, the principles now advocated by both.

AUSTRO-HUNGARIAN NOTE GIVEN IN TEXT

The full text of the Austro-Hungarian note to the United States is as follows:

"The far-reaching effects resulting from the fact that a very extensive trade in war supplies has been going on for some time between the United States and Great Britain and her allies, while Austria-Hungary and Germany have been entirely cut off from the American market, have from the first attracted the most earnest attention of the imperial and royal government.

"If the undersigned permits himself to take part in the discussion of a question which hitherto has been brought to the attention of the Washington cabinet by the imperial German government only he merely follows the dictates of unavoidable duty in protecting the interests entrusted to him from further grave injury growing out of the situation affecting Germany and Austria-Hungary equally.

"The imperial and royal government is convinced that the attitude of the United States government in this matter originates from no other intention than the maintenance of the strictest neutrality and the observance to the letter of all the stipulations of international agreement, involved, but the question arises as to whether the conditions that have developed in the course of the war, certainly quite independently of the will of the United States government, are not such that the very intention of the Washington cabinet is defeated; indeed, that the exactly opposite effect is produced.

"If this question be answered in the affirmative and the information of the imperial and royal government cannot be doubted, then another question automatically follows, namely, whether it is not possible, indeed, advisable, to take measures to provide full effectiveness to the wish of the government of the United States to assume an attitude of strict fairness toward both belligerent parties. The imperial and royal government does not hesitate to answer this question also in the affirmative, without qualification.

Spirit And Letter Differ

"It certainly has not escaped the attention of the American government which has cooperated in the work of the Hague in such a prominent manner, that the spirit and the letter of the fragmentary stipulations of the treaties in question are not entirely co-extensive.

"If one takes into consideration the genesis of article VII of the fifth and thirteenth conventions respectively, upon which the government of the United States apparently rests the present case and the wording of which will not be denied offers a formal basis for the tolerance of the trade in war materials, even if at present in the United States it is not necessary to point out, in order to realize the true spirit and range of this stipulation, which in

ITALIAN RESERVISTS ATTACK CREWS OF GERMAN STEAMERS BEFORE SAILING FROM BOSTON

(Associated Press by Federal Wireless.)

BOSTON, August 16.—A portion of the European War was fought out on the docks here yesterday, when thirteen hundred Italian reservists, awaiting transportation to their home country, made a demonstration against the German liners Amerika and Cincinnati, in port for refuge against the Allies' cruisers.

The Italians swarmed on the piers alongside the two German ships, hurling epithets at the German crews and challenging them to come ashore and fight. The actions of the Italians became so menacing that, to warn them off, shots were fired in the air by the German officers, while hurried calls were sent out for police protection. The Italians answered the shots by volleys of stones, which smashed in the port lights and did considerable damage to the deck fittings of the liners.

When the police arrived there was a lively fight, in which three policemen and three stewards of the Cincinnati were severely injured, while there were many minor injuries on both sides. Ten of the most active of the Italians were arrested.

Following the battle, the Italians boarded the Canopic, which sailed last night.

identally seems to have been modified already by prohibiting the delivery of warships and certain supplies for warships of belligerent countries, that the various rights as conceded to neutral countries in the spirit of the preamble of the last-named convention are limited by the requirements of neutrality in correspondence with the accepted principles of international law.

"According to all the authorities on international law who have especially dealt with the questions which here arise, the neutral government is not permitted to allow unhindered trade in contraband of war if this trade assumes such proportions that the country's neutrality is thereby impaired.

"In judging the admissibility of the trade in contraband of war, one can use as a basis any one of the various criteria established by law and arrive, according to each, at the conclusion that the export of war materials from the United States as it is carried on in the present war cannot be made to accord with the requirements of neutrality. It is not a question as to whether the branch of American industry occupied with the production of war material shall be protected in order that its export, as it has been carried on in peace times, may suffer no impairment. Furthermore, this industry has experienced an unexpected increase because of the war. In order to manufacture the immense amount of weapons, munitions and other war materials of all kinds which Great Britain and her allies have ordered in the United States of America in the course of the last month, it required not only the full utilization and adaptation of existing plants, but the creation of new factories as well as the diversion of large numbers of workmen from all branches of trade—in short, a widespread change in the economic life of the country—the right of the American government can from no quarter be disputed to decree an embargo on this obviously enormous export of war material which is notoriously for the exclusive benefit of one of the belligerent parties.

"The United States government could meet with no reproach if it were to avail itself of its competency, even if it took recourse to the passage of a law in accordance with its constitution. Even if it proved correct in principle that a neutral state may not change the laws in force within its jurisdiction concerning its attitude toward belligerents during the war, there is however, an exception to the principle as is clearly shown in the preamble of the thirteenth Hague convention—where experience has shown the necessity for such change for the protection of the rights of that power.

"The considerations for the United States government by the mere fact that Austria-Hungary as well as Germany are cut off from any commercial intercourse with the United States without the existence of a legal ground in legally effective blockade.

"To the possible objection that although American industry is willing to supply Austria-Hungary and Germany as well as Great Britain and her allies, the United States is not able to carry on trade in the consequence of the war situation, it may well be mentioned that the United States is without doubt in a position to remedy the above-mentioned condition. It would be entirely sufficient to hold out to the adversaries of Austria-Hungary and Germany the prohibition of the export of foodstuffs and raw materials, the legitimate trade in these articles between the United States and the two central powers is not permitted.

Enlist Starvation As Ally
"If the Washington cabinet could find itself prepared to act in this direction it would not only follow the traditional respect for the freedom of the seas, but it would also offer the great service of defeating the criminal endeavor of the enemies of Austria-Hungary and Germany to enlist starvation as an ally.

"The imperial and royal government does not hesitate to answer this question also in the affirmative, without qualification.

"If one takes into consideration the genesis of article VII of the fifth and thirteenth conventions respectively, upon which the government of the United States apparently rests the present case and the wording of which will not be denied offers a formal basis for the tolerance of the trade in war materials, even if at present in the United States it is not necessary to point out, in order to realize the true spirit and range of this stipulation, which in

MORGAN RECOVERS FROM HIS WOUNDS

Financier Will Visit Wall Street Attended By Guard

(Associated Press by Federal Wireless.)
NEW YORK, August 16.—J. P. Morgan, who was recently shot and severely wounded by Erick Maenter, a crank, who believed the assassination of the financier would stop the exportation of munitions from the United States for use against Germany, is fully recovered from his wounds and will visit his downtown offices this morning. Since the attempted murder, Mr. Morgan's house has been guarded and his movements have been given no publicity. He will be attended by guards when he visits Wall Street today.

MISS BERTHA YOUNG HURT IN AUTO CRASH

She and Friends Badly Shaken Up In Accident

(Associated Press by Federal Wireless.)
SAN FRANCISCO, August 16.—Miss Bertha Young of Honolulu, daughter of the late Alexander Young, and five other women, who were guests with her, were injured in an automobile accident here yesterday. None was seriously hurt, but all were badly shaken up. The motorcar in which Miss Young and her friends were riding collided with a sightseeing autobus, the occupants of the car being thrown out of their machine.

TREMENDOUS ARTILLERY DUELS ARE IN PROGRESS

(Associated Press by Federal Wireless.)
PARIS, August 16.—Between the Austrians and the Aisne, the French succeeded yesterday, after violent hand-to-hand fighting, in occupying the crater caused by the explosion of a mine under a German trench. Elsewhere on the west front there is no infantry activity, but mighty artillery duels are in progress in Artois, Lorraine and the Champagne. Nineteen French aeroplanes sailed over St. Mihiel yesterday, dropped 108 bombs on the German depots of stores and munitions there and returned unharmed.

RUMOR PERSHING WILL SUCCEED CARTER HERE

Talk In Army Circles That He Shortly Will Get Star

Rumor has gained currency in Oahu that Brigadier General John J. Pershing is to succeed General William H. Carter to the command of the Hawaiian department. The story could not be confirmed yesterday.

Brigadier General Pershing is now at Ft. Bliss, Tex., commanding a brigade which has its home station at San Francisco. He returned from long foreign service in the Philippines about a year and a half ago. He is the son-in-law of Senator Warren of Wyoming and the opinion is freely expressed in army circles that if the expected increase comes in the country's armed forces he is certain to receive his other star creating him a major general.

PILES CURED IN 6 TO 14 DAYS.
PAZO OINTMENT is guaranteed to cure any case of Itching, Blind, Bleeding or Protruding Piles in 6 to 14 days or money refunded.— Made by PARIS MEDICINE CO., Saint Louis U. S. of A.

GERMANS REPORT GAINS ON BOTH RUSSIAN FLANKS

Muscovites Confronting von Mackensen Have Begun New Retreat From River Bug

SORTIE FROM KOVNO IS BEATEN BACK WITH LOSS

Von Hindenburg Sends Word That He Has Penetrated Russian Lines Near Losgee

(Associated Press by Federal Wireless.)
LONDON, August 16.—Both Berlin and Vienna assert that south of Warsaw the Russians confronting von Mackensen have begun a new retreat, while in the north, against von Bulow and von Hindenburg, they are offering desperate resistance, which in places has crumbled under the massed German attacks.

Vienna says that, after making a stand on their entire front west of the River Bug, the Russians are now everywhere retreating.

Berlin reports that in a desperate sortie from Kovno, the outer defenses of which von Hindenburg already has battered breaches, the Russian garrison lost 1000 prisoners and was compelled to retire.

Northeast of Warsaw, in the angle between the Bug and the Narwa, the Germans captured 4500 prisoners. In the region of Losgee, headquarters reports that the Russian positions have been penetrated.

Northeast of Kubiasko, the Russians were compelled to yield ground and were pushed so hard that they lost 2354 prisoners.

On the southern front, Berlin confirms the assertion of Vienna that the Russians have begun a new retreat. From Nish, the temporary capital of Serbia, comes word that the Austrians have begun a new bombardment of Belgrade, the abandoned capital, but the same despatch asserts that there has been no loss of life.

FAMOUS SCIENTIST DIES AT OLD AGE

Prof. Frederic Ward Putnam of Peabody Museum, Cambridge, Passes Away

(Associated Press by Federal Wireless.)
CAMBRIDGE, Massachusetts, August 16.—Prof. Frederic Ward Putnam, honorary director in charge of the Peabody Museum and one of the most famous anthropologists and zoologists of the United States, died at his home here on Saturday night.

Professor Putnam was seventy-six years old, having been born in Salem, Massachusetts, on April 16, 1839. He obtained his degree at Harvard in 1862, since when he had a most distinguished career in science. From 1874 to 1909 he was curator of the Peabody Museum, becoming honorary curator in the latter year and honorary director in charge in 1913.

He has held numerous professional positions, including that of professor of anthropology and director of the Anthropological Museum of the University of California. He possessed numerous degrees and decorations and was a member of many learned societies in America and abroad.

BRITISH INTERESTS AT RIGA TRANSFERRED

(Associated Press by Federal Wireless.)
WASHINGTON, August 16.—On the request of the British foreign office, the American consul at Riga, Russia has taken over the British interests in that city. This is taken to mean that Riga is being completely evacuated and that the Russians expect an early occupation of the place by the Germans under von Hindenburg.

FEDERAL PRISONERS TO BE PUT AT WORK

(Associated Press by Federal Wireless.)
WASHINGTON, August 16.—Attorney General Gregory has decided that the three thousand prisoners serving sentences in the federal penitentiaries shall be put to work making articles suitable for purchase by various federal governmental departments.

HOME INSURANCE FOR MAUI IS PLANNED
WAILUKU, August 14.—Charles F. Drake, agency superintendent of the Home Insurance Company of Hawaii, arrived last Wednesday evening and will be on Maui for the next week or two looking into insurance matters. Mr. Drake states that Zeno K. Myers, manager of the Home Insurance Corporation on Maui, has already been done on Hawaii and Kauai. The idea of these companies is to be able to carry as much Hawaii insurance as possible right in the Islands, dividing the risks between the companies, and elevating as largely as possible the insurance business now done on the mainland and in Europe.

AMERICAN AIRMAN IS GALLANT FLYER

Wins Third Citation In French Army Orders For His Valorous Work

(Associated Press by Federal Wireless.)
PARIS, August 15.—William Thaw of Pittsburgh, who is serving as an aviator in the French army, has just received his third citation in the orders of the day. He has been detailed to the dangerous work of locating and observing German batteries often situated two or three miles behind the first line.

Recently, while flying low, one shell broke immediately beneath his machine. It is the Germans' custom to fire three test shells to locate an aviator's range. As soon as the first shell broke Thaw immediately started to rise, and then dive, in order to avoid the two ensuing shells. His lieutenant observer ordered him to keep straight ahead at the same level, as otherwise he could not make accurate calculations. A moment later one shell exploded but a short distance in front of him, and the third one directly behind. A piece of shrapnel carried away a portion of the tail and for a moment the machine appeared lost. Thaw soon succeeded in righting it, regaining control, turned, and after passing through a hot rifle fire landed safely inside the French lines.

The general commanding the division who witnessed the feat, asked to be presented to the aviator as he wished to compliment him. Thaw was immediately brought before the general, who, shaking him by the hand, warmly congratulated him upon his bravery and coolness and promised him that his gallant action would not go unnoticed. The following morning the citation appeared in the orders of the day.

PICKPOCKETS WORK WITH DEFT FINGERS

Three Cases Reported To Police And One Filipino Caught After Chase

There appears to be an epidemic of pocket picking in Honolulu. Three cases were brought to the attention of the police yesterday.

A Japanese named Tanaka complained that a purse containing \$74 had been abstracted from his pocket while he was traveling from town to Moiliili on the Waialae line. He told the police that he would be willing to give them a reward of \$25 if they could recover the remainder of his missing wealth.

During the afternoon a Chinese youth came to the station and said that while he was watching a fight at Aiea Park yesterday afternoon someone had taken a purse out of his coat pocket, containing a check and between \$10 and \$15.

Last night a Filipino named Placido was arrested and held for investigation. M. Kawamoto stated that he was standing in a crowd near the Japanese temple in Lele lane, when he discovered Placido in the act of taking his hand out of his pocket. On investigation he found that his purse, containing \$1.95, was missing. Placido ran and the cry of "Stop thief!" soon set a crowd at his heels.

The Filipino was caught by J. S. Blanchet and the purse was found on the ground near him, he having evidently thrown it away when he realized the impossibility of escape. The contents of the purse were sent to about \$1.50 being recovered by Kawamoto.

TWENTY-SEVENTH MAY MISS BIG EXPOSITION

The Twenty-seventh Infantry will go to the Philippines directly from Honolulu, through the Panama Canal, in the transport Buford, which is expected to sail August 26. It will probably not stop at San Francisco, but go direct to Honolulu, and on its return trip will bring back the Service passengers for which there is no room in the regular transport, estimated at four hundred in number. By sending the Twenty-seventh Regiment on the transport it is estimated that a saving of \$20,000 will be made in transportation. This deprives the Twenty-seventh Regiment of an opportunity to visit the San Francisco fair.—Army and Navy Register.

While no word has been received within the last ten days it is quite possible the border warfare with Mexico will alter the Department's plans materially. It probably will be found highly inconvenient to weaken the Nation's armed strength along the Texas boundary and the Twenty-seventh may be held there indefinitely.

TWO CADETS DISMISSED AND 12 ARE DISCIPLINED

(Associated Press by Federal Wireless.)
WASHINGTON, August 16.—The court of investigation which has been reviewing the cases of the fourteen midshipmen accused of cribbing at examinations has recommended that Ralph Nelson of Peckskill, New York, and Charles Royle of Ohio be expelled, and that twelve others be disciplined. Secretary Daniels, and President Wilson approve the sentence.

AIRMEN BOMBARD SUBURB OF GALATA

Allied Aviators Drop Bombs At Constantinople and Casualties Are Heavy

(Associated Press by Federal Wireless.)
LONDON, August 16.—A despatch to the Daily News from its Athens correspondent says that French and British aeroplanes flew over Constantinople yesterday, dropping bombs on the suburb of Galata, on the north shore of the Golden Horn, with heavy casualties. There are no French or British official reports today on the progress of military operations on the peninsula of Gallipoli but a Constantinople bulletin asserts that attacks by the Allies on the Turkish right wing, north of Avic Burnu, were repulsed by a strong counter attack.

Petroleum reports that the Russian army of the Caucasus has stormed the crest of the heights of Karaderbet, commanding the Passine Valley. Turkish counter attacks, delivered in an attempt to win them back, were cut down. The Russians also captured a transport column, left to the escort of prisoners, containing large herds of cattle and much munitions.

RUMANIAN WHEAT SUPPLIES AUSTRIA

It Is Being Shipped At Rate of 360 Railroad Carloads A Day

(By Associated Press.)
LONDON, August 15.—The announcement that the remainder of Rumania's wheat crop is now going into Austria at the rate of 360 railway carloads a day has caused great disappointment here, for it was hoped that England and France would be able to conclude arrangements to purchase all of Rumania's available supply, thus cutting off the possibility of all this foodstuff entering Germany and Austria.

According to a statement sent from Paris by Col. Edmond Thery, attache to the French Ministry of War, the plan for purchase by England and France fell through because the Allied countries were unable to act quickly enough.

"Some time ago," he states, "proposals were made in France for the establishment of an International Commission to which the Allies would appoint one delegate each, to prevent the import into Germany of any products which would enable her to prolong the war. While this suggestion was still being considered, there came the proposal to buy up the Rumanian wheat harvest. We tried to act on this proposal, but found the difficulties of contact almost insurmountable.

"For example, when the French government directed its ambassador to London to submit the proposal to the British government, no less than eight days passed before the ambassador could get the opportunity of seeing the competent minister. Negotiations with Russia involved further delay, and by the time the Allies had achieved harmony of purpose it was already too late, the Germans had stepped in and bought up the whole of the crop."

DR. J. M. THOMPSON

Mrs. James Malcolm Thompson, formerly Miss Maude de Britteville, with her infant, arrived at the home of her parents in Lihue, August 4, from California, and the following day (Thursday) received a wireless bearing the unexpected and sad news of the death of her husband Doctor Thompson, at St. Luke's Hospital in San Francisco which had occurred that day.

Upon instructions wireless by Mrs. Thompson and her parents, the body was brought to Lihue, where the funeral will be held probably next Wednesday.

Mrs. Thompson, who had come for a visit with relations after an absence of a little more than a year, has thus had her plans shattered, and she will remain in Lihue.

It is a remarkable coincidence that on the day of his death the Territorial Board of Health had appointed Doctor Thompson to be government physician on Maui, and under ordinary circumstances he would have closed up his business in San Francisco and returned to the Islands in a very few weeks.

Doctor Thompson was born in Glasgow, Scotland, and came to the Islands some years ago. He was a physician at the Queen's Hospital in Honolulu for a while, and assisted Doctor Putnam as relief in the Lihue Hospital on two occasions.

He and Miss de Britteville were married in San Francisco early in July, 1914. They lived for a while in a town in northern California. Mrs. Thompson's health was not the best there, and they moved to San Francisco where Doctor Thompson took up the practice of medicine in the Mission district.

At San Francisco the doctor found it necessary to undergo an operation for a stomachic trouble. Mrs. Thompson wanted to postpone her departure for the Islands until the operation was over, but the doctor did not approve of this and insisted upon her carrying out her plans. Doctor Thompson was a young man of attractive personality and excellent habits, and bore every promise of becoming a leader in his profession. His untimely demise will be much regretted by all of his acquaintances in the Islands.

GENERAL SCOTT GOES TO MEXICO WITH PROPOSALS TO MAKE PEACE

Chief of Staff Offers General Villa Plan Proposed By Pan-American Conference To Cease Fighting and Establish Order

NOW IS EN ROUTE TO CONFER WITH OBREGON

Swaggering Mexicans Who Jostled American Soldiers Into Street Are Responsible For Serious Disturbance Saturday

(Associated Press by Federal Wireless.)
WASHINGTON, August 16.—

The government expects soon to receive an acceptance from General Francisco Villa and his chief of staff, General Felipe Angeles, of the plan for restoring peace and order and setting up a stable government in Mexico proposed by the Pan-American conference.

Gen. Hugh L. Scott, chief of staff, is carrying the proposals to the warring chieftains. Already he has conferred with Villa and Angeles and he is now on his way to meet Obregon, Carranza's commander in the north. General Villa gave him a safe conduct through his lines, in order that he might reach Obregon, farther south.

Carranza Is Silent

Thus far Carranza is silent. It is expected that General Scott will continue his journey to Vera Cruz, Carranza's capital, if he receives any encouragement from Obregon.

No disturbances along the border were reported yesterday. Even at Nogales, on the Arizona line, there were no disorders.

An official account of the serious episode there Saturday shows that the disturbance began in the American town of Sonora. A crowd of swaggering Mexicans jostled a group of American soldiers off the sidewalk into the street.

Americans Attack Mexicans

Enraged at the insult to their uniform, the Americans then began attacking Mexicans on sight, wherever they could find them or hunt them out. Officers rounded up the angry soldiers and the disturbance was quelled.

It is reported that several Americans were arrested in retaliation in the Mexican town of Nogales, but there is no verification of the rumor that an American was killed there. Quiet reigned yesterday in both towns.

ITALIANS ARE SEWING UP AUSTRIAN FORCES

(Associated Press by Federal Wireless.)
ROME, August 16.—Advancing through the historic Brenner Pass, Austrian troops attempted to debouch into the Adige Valley, sending ahead of their infantry an armored train. The Italian artillery forced the train to retire, badly battered up. The official bulletin states that there is heavy fighting on the upper Rienz, but that the Italians have held successfully the positions there lately captured. Elsewhere their infantry has advanced to the slopes of Croda Rossa and Sellaferla, for which they are now contending, and is continuing to make progress toward Monte Nero.

ST. LOUIS STRIKE SETTLED

(Associated Press by Federal Wireless.)
ST. LOUIS, August 16.—The teamsters' strike has been settled without further violence and the men will return to their work today. The employers granted them an increase in pay, reduced hours and better working conditions.

TREATMENT FOR DYSENTERY.
Chamberlain's Colic, Cholera and Diarrhoea Remedy followed by a course of castor oil will effectually cure the most stubborn cases of dysentery. It is especially good for summer diarrhoea in children. For sale by all druggists, Benson, Smith & Co., Ltd., agents for Hawaii.